GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5311
ANSWERED ON:28.04.2000
NORTH -EASTERN DEVELOPMENT AND FINANCE CORPORATION
RANEE NARAH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have established North-Eastern Development and Finance Corporation;

(b) if so, the date on which it was established;

(c) the main objectives behind establishing the said Corporation;

(d) whether the objectives have been achieved; and

(e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB V1KHE PATIL):

(a) and (b) North Eastern Development Finance Corporation Ltd. (NEDFi) was incorporated under the Companies Act, 1956 on 09.08.1995 with its registered office at Guwahati. It was formally established on 23.2.1996 and became operational on 1st April 1996.

(c) NEDFi was set up with the objective to catalyse the economic development ofNorth-East by providing finance and other facilities for promotion, expansion and modernisation of Industrial and Infrastructure projects in the Region. It was also expectedto encourage first generation entrepreneurs in the region by providing specific schemes suitable to them.

(d) and (e) NEDFi by its operations endeavoured as the prime financial institution inthe region, to suit the needs of the region. It has also amended the Memorandum & Articles of Association to include in its charter, `promotion of agri-horticulture, plantation, medicinal plantation, sericulture Plantation, aquaculture, poultry, dairy and animal husbandry development` to suit the needs of the region. NEDFI, in addition to normal lending operation,has started providing finance through Micro credit, Working Capital term Loan, created North East Equity Fund and other activities. In a short span of time, ithas been able to create a hope amongst the entrepreneurial people of the region. In its four years of operation, NEDFi sanctioned about Rs. 89 crores for 109 projects, of which 60 were sanctioned in the test financial year 1999-2000.